1 CONCLUD

5. (Amended) A compounds as claimed in claim 2, wherein (AA^3) is Leu(S), Phe(S) optionally substituted with C_{1-6} alkyl or halo and wherein the phenyl group of Phe(S) may be fused to another phenyl group to form a naphthyl group or the sulphur moiety in the α-position of the amino acid (AA) may be optionally oxidixed to form an $-S(O)_2-$ or $Phe(CH_2S)$.

#2

13. (Amended) A pharmaceutical composition comprising a compound of formula (I) or Ia), or a pharmaceutically acceptable salt thereof, as claimed in claim 1, and a pharmaceutically acceptable diluent or carrier.

15. (Amended) The use of a compound of formula (I) or (Ia) as claimed in claim 1, or a pharmaceutically acceptable salt thereof, in the manufacture of a medicament for use in the inhibition of a cysteine protease in a warm blooded animal.

#3

16. (Amended) The use of a compound of formula (I) or (Ia) as claimed in claim 1, or a pharmaceutically acceptable salt thereof, in the manufacture of a medicament for use in the treatment of chronic obstructive pulmonary disease in a warm blooded animal.

17. (Amended) A method of treating a Cathepsin L or Cathepsin S mediated disease state in mammals which comprises administering to a mammal in need of such treatment an effective amount of a compound of formula (I) or (Ia) as claimed in claim 1, or a pharmaceutically acceptable salt thereof.